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ABSTRACT

Based upon data provided by state directors of community/junior college education, this report reviews state approaches to community college financing. The report includes information from 44 states, which together accounted for 98.2% of the total enrollment in two-year colleges in 1982. Section I presents conclusions drawn from the data, revealing: (1) a trend toward increased state support; (2) increased student fees since 1980; (3) more emphasis on college linkages with business and industry; (4) increased use by states of automatic caps on increases in state or local funds; (5) a greater reluctance in many states to support remedial education; and (6) an increasing proportion of college budgets allocated to salaries and utilities, leaving only a small discretionary portion to these budgets. Section II describes financing patterns in each reporting state, including information on community college structure, enrollments, funding formulas and procedures, and the major problems facing community colleges within the state. Section III provides statistical data on sources of support (i.e., state, local, federal, and student fees); state expenditures for 1982 and changes from 1980 to 1982; percent of operating funds by source; percent of capital outlay by source; state appropriations for community colleges; changes in operating funds between 1967 and 1982 by source; and problem areas facing community colleges. Finally, section IV highlights trends in community college financing. (HB)

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FINANCING COMMUNITY COLLEGES

1983

by

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and

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Institute of Higher Education

University of Florida

June 1983

with assistance from HBJ Media Systems

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FOREWORD

The eighth study in a series of publications on financing public community colleges as published by the Institute of Higher Education, University of Florida, comes at a time when financing higher education is receiving a great deal of attention. Two major studies of community college finance have been published since the seventh of this series was distributed. The general economic situation is viewed as different for students, for state governments and for national government.

As was true in the previous studies, data have been provided by the state directors of the several states. No attempt has been made to include private institutions in these analyses. Almost all of the colleges currently operating are represented in this study. Only 7 states are missing and these serve less than 100,000 students or approximately 1.8% of the total community college enrollment.

The states' reports have been summarized in Section I and specific data relating to individual states are included in Section II. Section III provides the statistical summaries and Section IV provides an estimate of the future.

We are especially appreciative of the support provided by HBJ Media Systems in making it possible to carry out this study. Their continuing concern for quality education and the opportunity for such education is noteworthy in itself.

James L. Wattenbarger

July, 1983

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SECTION I

Summary of States

Data from 43 states are included in this report. One additional state indicates that no community colleges exist in that state (South Dakota) making a total, therefore, of 44 states included in this report. These states represent most of the enrollment in public community colleges of the nation (Table 2). The six states which did not report include only 1.8% of the total enrollment of almost 5 million students.

These conclusions are representative of the reports from the states:

1. There continues to be a trend toward increased state support but the top limit may have been achieved. It would appear that about two thirds of the FTE operational costs coming from state sources may be the top limit in most states.
2. Student fees have increased since 1980 but usually are not larger than 30% of the total; the median percentage is 20. There is more emphasis on increasing fees even in "low" fee states.
3. More attention is given to obtaining federal funds as an alternate source of support instead of extra enrichment or categorical aid. There is also more attention being given to seeking external support for operational activities. This is at a time when such funds are actually more limited.
4. Most states have not followed a formula based appropriation procedure. While formulas are most often used to allocate

funds to individual institutions, the total amount appropriated has become the negotiable item. In 1983 there appears to be more state situations where enrollment or FTE estimates are the basis for legislative control over the institutions than situations where the amount appropriated is related to college needs as reflected in computed formulas.

5. Some attempt to recognize fixed costs (as may be found in all colleges) and variable costs (as may be related to numbers of students served) is becoming a more generally used pattern among the states. The amount allocated to fixed costs varies a great deal, however, from state to state.
6. Only a few states are recognizing differential costs in the academic, vocational, and technological courses and programs. The procedure of increasing the amount of state support for the more expensive courses and programs is used in fewer than a dozen states, a procedure often referred to as cost based funding.
7. Most states require that noncredit courses be self sustaining and do not, therefore, include such courses in their financial support planning. Consideration for the educational needs of older citizens is not general.
8. More emphasis on community college linkages with business and industry is focused upon the financial support programs. These linkages are aimed at providing extra income for special projects and for student support.
9. The problems of isolated or rural community colleges are recognized but very little actual consideration is made in the

financial support programs.

10. Increased costs for salaries and utilities have become so generally prevalent that up to 90% of the total institutional budgets in most states is allocated to these costs, leaving only a small discretionary portion to these budgets.
11. Limited funding has caused the reexamination of existing college programs as well as a reluctance to begin new programs, a new emphasis upon program evaluation or review. The high cost programs will be difficult to continue and almost impossible to develop unless external sources of funds are identified.
12. The diversity of which community colleges have been traditionally proud is inhibited by the current financial support trends. "Limited resources" is the common reaction to expansion proposals.
13. Current talk about program funding is generally talk, not action. Very little improvement has occurred in the various states in respect to funding not based on numbers or students. Even a definition of program funding is not a matter of general agreement and the term is used without precision.
14. Very little attention is now being given to capital outlay requirements. Demand for facilities is less than in former years even though costs are higher.
15. Most states have experienced mandated budget reductions after budgets have been approved and the year begun. These short term reductions have seriously disabled current operating budgets.

16. Some states are looking for ways to cut fringes--both for students, such as transportation, and for faculty, such as social security and/or pension costs.
17. Caps on enrollments which are supported by state funds have been used by legislatures as a way to control costs. Colleges tend to accept students beyond the cap even though they receive no support funds.
18. Reluctance to support remedial education on an adequate basis is found in several states.
19. Several states have placed automatic caps on increases (i.e. 7% or 8%) in state funds or in local funds. These caps limit expansion of enrollments, courses, and programs.
20. Limits of all kinds are universally more generally enforced.

SECTION II

State Reports

In this section each state is briefly described with emphasis placed upon changes which have occurred since 1981. The general taxonomy classifying the patterns of finance developed by Wattenbarger et al in 1974 seems to be still adequate for classifying the 1982 situation. (See previous reports for a more complete discussion of this taxonomy).

Alabama

Alabama's system of two-year colleges consists of six community colleges, 15 junior colleges, and 22 technical colleges. The average level of support for the community/junior colleges and technical colleges combined was reported to be $1,841 per FTE in 1981-1982 for an enrollment of 40,844 students (FTE).

The state provides through a unit rate formula 79% of the funds used to operate its community colleges. In addition to the funds generated by the unit rate formula, each community/junior college district receives $100,000 on a conditional basis. Community/junior college health programs are cost weighted as are all vocational-technical programs. No state funds are provided for non-credit courses.

A study of the state's role in financing its two year colleges was recently conducted by the Joint Legislative Interim Educational Institutions Study Committee. Among their recommendations were the following:

1. Prohibit college districts from underwriting student transportation costs. The Committee views this activity as a "luxury" that the state cannot afford.
2. Reduce the funding for student credit hours generated by part-time

faculty.

3. Reduce the level of support for off-campus programs. The committee found that revenues exceeded expenses in these programs. The recommendation is to fund them according to actual costs.

In Alabama's funding process, a preliminary request formula for the system is submitted to the legislature. This request is based upon average salaries, average class size, cost per square foot and student body size. Then, the state legislature determines appropriations for the total system and a distribution formula allocates the appropriation.

Increases in dollars per FTE are usually due to inflation or salary increases. In recent years, the needs of the colleges have been severely prorated. Increases in funding, according to state officials, has been sufficient however to improve quality, even in the face of diminished services and prorated funding.

There are several crucial questions facing community college decision makers in Alabama. Among these questions are the following:

1. How shall prisoners' tuition, fees, and books be paid?
2. Should the more expensive programs be cost weighted?
3. Should the junior and community colleges include more high technology programs?
4. How can the overall level of funding be improved?

Alaska

Alaska's twelve community colleges have a total enrollment of 19,348. Enrollments are generally increasing at each community college. This system falls under the domain of the University of Alaska and receives 26.4% of the total state appropriations for higher education.

Alaska does not use a formula to fund public higher education. Instead, the state employs the negotiated budget format. After the individual institutions submit their requests, the Board of Regents submits the budget request to the Governor who reviews this request. In addition to this process, the Alaska Commission for Postsecondary Education reviews the request and makes its recommendation to the Governor and Legislature. The final appropriation is determined by the Legislature.

Most non-credit courses offered by the community colleges in the University of Alaska Statewide System of Higher Education are self-supporting courses. This generally means that the courses are only offered if the enrollment is sufficient to pay the instructor's salary.

The vast majority of students enrolled in the community colleges are Alaskan residents. Those who are not residents are charged out of state tuition. There is no distinction made on in-district or out of district students.

Among the primary concerns of community college leaders relative to finance are the following:

1. The location of Alaska in relation to the other United States.
2. The location of the institutions within the state.
3. Competition with the other higher education institutions and state agencies.
4. The fact that most community colleges are developing institutions.
5. The fact that most of the community colleges have not yet achieved economies of scale.

Arizona

There are ten community colleges in this state with large urban areas in Phoenix and Tucson. Recent statistics indicate a steady growth pattern

with a reasonable level of financial support.

Arizona employs a unit rate formula with an average expenditure of $2,336 per FTE student for 52,347 (FTE) students. Because the state provides only 23.4% of the total funds needed for operating expenses, Arizona must rely heavily on local support. In fact, the percentage of operating expenses gathered from local support (45.2%) is second highest in the nation. Since there is a constitutional limitation placed upon support at the local level, maintaining adequate support, especially during periods of inflation, can be a problem.

In addition to this structural problem, Arizona has experienced, like many other states, sharp increases in energy expenditures. This has increased the need for periodic increases in the amount spent per FTE.

Arkansas

Arkansas employs a Cost-Based Program Funding Formula to support its eight community colleges. The state does not use local support to finance the $5,382 per FTE spent annually on 6,285 (FTE) students. The state pays approximately 54.7% of the required funds while student fees support 17.2% of the expenditure and the Federal government provides 15.8%. The remaining 12.3% of the needed funds are gathered from private gifts, grants, and contracts.

The formulas which are used by all the institutions of higher education in developing their appropriation requests encompass ten expenditure categories and equipment replacement.

1. Teaching Salaries
2. Departmental Operating Expense and Other Academic Support
3. Research

4. Public Service
5. Libraries
6. Student Services
7. Institutional Support
8. Operation and Maintenance of Physical Plant
9. Scholarships and Fellowships
10. Transfer to Auxiliaries
11. Equipment Replacement

Simply stated, the expenditure requirement for each of these categories at an institution is arrived at by multiplying the specific FTE by a rate adjusted for each category. There are exceptions to this general rule. Research expenditures, for example, are calculated as a percentage of the total teaching salaries at each institution. No research expenditures are recommended for two year institutions. Non-credit instruction is a non-formula item, and it is expected to be self-supporting.

State vocational technical funding is handled through a separate vocational-technical board. These funds are allocated to colleges on the basis of need. There is almost no federal funding for occupational programs.

Generally, increases in funding have been below the rate of inflation and enrollment increases. In recent years, restrictions on state revenues have not permitted adequate levels of total funding to be established. [Note: Arkansas reported current operating funds as including auxiliary enterprises, student financial aid, federal restricted grants, etc.-- items not included in other state reports thereby increasing the per student expenditure by a factor of almost two. The figure more nearly comparable to other states would be "Unrestricted Educational and General" funds with source percentages of 73.2% state, 23.1% student fees, 0.1% federal, and

and 3.5% other. This amounts to $2605 per FTE. This figure, however, is based on income not expenditures. The reader should be aware of this sort of discrepancy.]

California

California's extensive community college system consists of 107 colleges and 70 districts. This is by far the largest system in the nation.

California employs a minimum foundation funding formula to provide appropriations for the 1,379,665 students (headcount) enrolled in its community colleges. The current expenditure is computed at $2,021 per average daily attendance (ADA) student for 752,490 students (ADA). Individual colleges receive the prior year's base budget which is adjusted up or down at a marginal rate depending upon changes in activity.

Since Proposition 13 cut $418 million in local property tax revenues for community college operations, the state has provided the majority of funds. The level of state support, however, has been falling at a level that community college leaders consider alarming. The immediate reaction to Proposition 13 was to limit access by cutting some programs and many courses and to reduce support services for those still enrolled. Since then access has been expanded, but not all of the services have been restored. Presently, the state provides 67.8% and local government provides 22.1% of current operating funds for community colleges with student fees supplying 2.2% and the federal government providing 7.8%. The state has recently decided to reduce its share of the appropriations to approximately 60%. The existence of tax restrictions on local support makes this event a very serious problem. Until now, the shortfall has been offset by a state surplus which had accumulated over the years. This surplus is now exhausted and significant funding cuts probably

will be the end result. Layoffs and even the closing of campuses have been suggested as possible ways of alleviating some of the pressure.

A state ordered course reclassification which eliminated support for certain avocational and personal development courses took an estimated $30 million out of this year's community college apportionment. This course reclassification is largely responsible for a recent 4% drop in enrollments. This, of course, resulted in a significant reduction in the overall ADA calculation.

A recent budget request would create a mandatory fee requirement for all community college students for the first time in the state's history. In addition to imposing mandatory fees for the first time, this proposed budget would provide no additional money for student aid at community colleges.

The Budget and Finance Committee of California's Community Colleges Board of Governors recently submitted a report which will be used in developing basic principles for allocating state funds to community colleges. Several important observations were made in this report including the following:

1. The level of state funding for community colleges for 1983-84 and in the near future will be limited. Program expansion may depend on increased development of private funding sources and increases in local taxing authority.
2. During times of limited resources, continued state pressure will be exerted against programs considered "low priority" by the state.
3. State funding mechanisms encourage the proliferation of low cost programs, discourage districts from continuing high cost programs, and limit local flexibility in directing resources to meet higher priority needs.

4. Community colleges may never again be provided with "open ended" appropriations or with unlimited growth.
5. Greater stability in state funding policy and greater lead-time for significant fiscal policy changes are necessary.
6. Funding technique for growth and decline may not reflect true changes in program cost. Unanticipated change in funded ADA does not necessarily reduce cost but does result in a sudden decline in state revenue.
7. Present funding mechanisms do not recognize the diversity of community college offerings and student needs.
8. With an increasing share of community college funding now coming from state resources, there is concern that the fiscal centralization will restrict local program autonomy.
9. The present funding mechanism relies too heavily on student attendance without sufficient consideration of differences in programs or costs among the community colleges.
10. The present mechanism for allocating state funding for community colleges may not be adequate for 1983-84 or beyond.

It appears quite certain that the next two fiscal years will be very difficult for California's Community Colleges. However, with the anticipated creation of more stable funding techniques that allow for greater planning, long-term conditions appear a bit more optimistic.

Colorado

There are two types of community college structures in Colorado. Eight community colleges that have a head count enrollment of 22,078 are governed by a state board and receive no local financial support. Four community colleges that have a headcount enrollment of 7,989 are operated by local districts and are funded through a combination of local taxes, student tuition, and state subsidy. Within the local districts, the state provides 39% of the total operating funds, the local district provides 37%, and students fees account for 22%.

The level of support for state community colleges is set at $2,336 per FTE for 21,744 FTE students. This is apportioned vis-a-vis a unit rate funding formula. The state legislature determines how much the state can afford to increase the per student funding (7% in 1981-82, 4.4% in 1982-83) and the State Board decides on the amount of tuition increase. Generally, increases in funding have been below inflation levels for the past few years. As a result of this, college personnel have been asked to subsidize the educational system through salary increases below the inflation rate. Thus far, this has not significantly hurt the level of quality. State leaders suggest that this may be attributable to the difficulty of getting higher paying jobs elsewhere.

There appears to be three major problem areas within the state system of community colleges.

1. There has been a continuing decrease in real dollars in the funding for the community colleges.
2. The lack of a local property tax base makes the colleges totally

dependent upon the state and thereby contributes to the decrease in real dollar funding.

3. The system has a number of small rural colleges which are not cost-effective but which are the only educational opportunity beyond high school in their areas.

The level of support for locally controlled colleges is $2,683 per FTE for 8,461 FTE students. Tuition rates are set by each individual college board, usually at three residency levels -- in district, out of district and out of state. The boards have complete discretion as to what they charge. There is no inter-district charge back.

Connecticut

Connecticut's twelve community colleges are funded through a negotiated budget process at a rate of $2,347 per FTE for 3,578 FTE students. The system is largely supported by state taxes with the state providing 85% of the total revenues and student tuition providing the remaining 15%.

In Connecticut, the budget request is made one year before the fiscal year begins. The legislature considers the previous years budget and funding units when awarding appropriations. The state then allocates funds by specific line items including personal service, other expenses, and equipment. A new method of funding Connecticut's community colleges is presently being developed.

Delaware

Delaware employs a negotiated budget funding process to allocate funds to its community college. This three campus institution has a headcount enrollment of 6,988. The average expenditure per FTE is reported to be $2,814. No funds are provided for non-credit courses. The budget is annually

reviewed during hearings held before the State Budget Director and the Joint Finance Committee of the General Assembly. Currently, state tax revenues provide 87% of the total operating funds with the Federal government providing the remaining 13%.

Florida

Florida has twenty eight public community colleges. Enrollment growth has been steady since the state began to implement a comprehensive plan for community colleges in the 1950s and with the rapid growth in the state's general population expected to continue, community college enrollment should also continue to increase. Specifically, enrollments of 15-24 year olds in college is expected to decline while enrollments of older, place bound students will increase. This will probably mean that community colleges will be prime centers of growth from 1983-2000.

Current operations in Florida are funded on a program cost basis. Thirty four programs are differentiated. Each program cost factor has been determined by previous state level studies. In addition, funding per FTE is a function of college size -- colleges enrolling less than 1300 FTE are funded at a higher rate. Average expenditure per FTE is reported to be $2,111 for 198,284 FTE students. Salary increases, rising energy costs, new facilities, and inflation form the bases for annual revenue increases. Currently, the state provides 66.5% of the total operating costs with student fees providing 22.2% and the federal government providing 6.7%.

Recently, the Governor's office has contracted with a consultant to study alternatives to the FTE-driven formula. In a related development, the Postsecondary Education Planning Commission recently recommended a shift to

program-based budgeting relying upon strong program evaluation and budgeting procedures.

Vocational non-credit courses are funded in the same manner as credit courses except that a smaller student fee deduction is used in the formula calculation. No state funds are provided for avocational courses which are expected to be supported by student fees. Community Instructional Services (CIS) courses are funded by student fees and a separate appropriation. The appropriation is allocated between community colleges and public schools by plans developed by regional coordinating councils (one in each community college area).

Major problem areas in financing Florida's community colleges include the need for sufficient funding of high cost technical and health programs, the lack of developmental funds for new programs, the lack of funds to support mandated requirements for additional instruction particularly in the area of composition, and the need for adequate funding to improve faculty salaries.

Georgia

No report submitted. This state uses a cost based funding formula with the costs determined by the Board of Regents.

Hawaii

Hawaii's seven community colleges fall within the authority of the University of Hawaii and are funded through a cost-based program funding formula. Average expenditure per FTE was reported to be $2,568 for 13,302 FTE students. Collective bargaining salary increases, rising energy costs, inflation, repairs and maintenance of facilities form the bases for annual revenue increases.

The Chancellor's Office provides the overall directions and instructions in planning and developing the biennium budget request and long range planning.

Based upon the criteria set, the Chancellor's Office reviews the budget requests. Each of the budget items requested is discussed and evaluated with each of the campuses. Upon the final review, the Chancellor recommends the community colleges' budget requests to the President of the University of Hawaii System. From here on the President reviews the budget and then recommends it to the Board of Regents. The Board reviews the budget and recommends it to the Governor of Hawaii. The Governor reviews the University's budget and based upon his decision, submits the Executive Budget to the State Legislature for funds to be appropriated in accordance with state laws.

Some of the major areas of concern include the following:

1. State general fund support is expected to decline in the face of enrollment increases and declining revenues.
2. Capital projects will be slow in coming due to expenditure ceilings imposed.
3. Student financial aid is being cut, especially in the federal domain.
4. Tuition and fee increases are being investigated as additional sources of revenue.
5. Non-credit and related courses must be shifted to a self support basis.

Idaho

No report submitted. Idaho uses a negotiated budget formula to fund its two public community colleges.

Illinois

Illinois uses a program cost based formula that includes seven funding categories to support its 39 community colleges. State appropriations, which account for approximately 35 percent of the total operating expenditure, are

determined by a formula which utilizes the higher education cost increase projections for the budget year, past year's actual enrollments, and past year's actual unit cost to determine the resources needed for the budget year. All sources of revenue, including local tax revenues, tuition, and federal funds, are considered in the formula. College districts that have a tax base per full-time equivalent student that is below the statewide average receive state equalization funding which makes up this difference. Non-credit courses and community service activities, along with courses that receive 50 percent or more federal financing, are excluded from state support; however, the formula protects enough funds from local taxes and federal funds to fund these activities at the same level as experienced during the past year.

The state has not been able to fund the inflationary cost increases in the formula which have been experienced by the colleges for the past two years. This has been primarily caused by the considerable decline in state revenues during this period. Meanwhile, enrollments at the community colleges have increased substantially, putting many colleges into a financial squeeze. Most colleges have reluctantly raised their tuitions to cope with this situation.

Midyear during FY 1983, the community colleges received a 2.2 percent cut in the appropriated state funding. To implement this reduction, nearly all colleges reported cost containment measures on maintenance, equipment, commodities, library materials, and travel. Several colleges implemented more severe measures, such as tuition increases, salary freezes, and reductions in personnel.

State funding for FY 1984 is not at all clear at this time. The Illinois Board of Higher Education had recommended a 12 percent increase in state funding for community colleges. This funding included $2.5 million of economic development grants for colleges to establish business/industry centers in their

districts. The Governor's Office supports this budget but will fund it only if the Governor's proposed tax increases are approved. With no tax increases, the Governor's proposed budget for community colleges contains an 11.7 percent decrease in grants to colleges from FY 1983.

Indiana

Indiana does not have a state system of community colleges. Vincennes University Junior College negotiates its allocation along with all other colleges in the state. The state does report, however, an expenditure of $2,595 per FTE for 4,771 FTE students for the thirteen campuses of Indiana Vocational Technical College.

Iowa

Iowa maintains a cost based program funding plan with eleven major cost centers. Colleges are alloted the minimum of state funds in the previous year's budget plus an amount for inflation based on the number of students in the major cost centers multiplied by a uniform increase. In the past year, the General Assembly did not approve the inflation adjustment. Instead, colleges received the same amount as the previous year. Also, the equipment replacement appropriation was not approved and this eliminated an important source of income. Obviously, program quality has suffered.

The most pressing need in Iowa is for the creation of an equitable funding formula that meets with the approval of all colleges and also for the appropriation of sufficient state resources to fund that formula. A new funding formula is presently under consideration by a legislative interim study committee.

Kansas

State support is unit rate formula based and credit hour driven. The level of support amounts to $1,987 per FTE for 23,578 FTE students. The base funding level is determined by the governor and legislature. The credit hour rate is higher for vocational/technical programs.

Salary increases and rising energy costs form the bases for annual revenue increases. No state funds are available for non-credit courses. The major problem within this system is reported to be the absence of an equalization formula. A study concentrating on equalization methods is currently in progress.

Kentucky

Kentucky combines program increment and negotiated budget approaches when funding the thirteen campuses of the University of Kentucky Community College System. Expenditure is currently reported at $2,141 per FTE for 13,209 FTE students. Salary increases, utilities, program appropriations, current expenses, and capital acquisitions form the bases for annual revenue increases. These increases have not been adequate to maintain a constant level of quality. Non-credit courses are offered on a self supporting basis.

Recently, Kentucky has experienced mandated budget reductions. The state's general economic conditions including state revenue shortfalls have created significant problems in financing Kentucky's community colleges.

Louisiana

No report submitted. Louisiana uses a unit rate formula to support its four community colleges.

Maine

The University of Maine is a seven branch system of higher education

governed by a single Board of Trustees. It receives a lump-sum grant from the state which is combined with tuition and fees and other revenues to form a pool of funds. These funds are apportioned among the campuses during the budget process. This negotiated budget process supplies the two community college branches of the University of Maine.

Maryland

Maryland allocates funds to its seventeen community colleges through a unit rate formula plus flat grants of $200,000. The current expenditure is reported to be $2,452 per FTE for 80,780 FTE students. The budget process represents an incremental approach to budgeting in that primary attention is given to proposed increases over amounts appropriated for the previous year.

The state provides at least 50% of the capital funds required for community college construction on a matching basis for projects which are eligible for support under the state facilities guidelines. Continuing education courses are approved for state funding based upon review by the State Board for Community Colleges of course title, course descriptions, and course objectives.

The fiscal commitment at the state level under current statute is primarily based on institutional enrollment. In both fiscal year 1981 and fiscal year 1982 deficiency appropriations were processed to provide funding to cover higher than anticipated enrollments.

From the outset, the state has fully funded certain social security and pension costs outside the funding formula. A financial concern to Maryland community colleges is whether the state can afford to continue to fund fully and to absorb certain social security (estimated costs approximately $5 million) and pension costs (estimated costs approximately $14 million). An arrangement

that would share such costs with the local political subdivisions is under consideration.

Massachusetts

In fiscal year 1983 the Board of Regents implemented a cost based program funding formula for Massachusetts' 15 community colleges. Average expenditure is currently reported to be $2,325 per FTE.

Although individual institutions retain their fee income, tuition goes into the state's general revenue fund. There is no relationship between tuition and state appropriation. Non-credit courses are self supporting.

Michigan

Michigan employs a minimum foundation funding formula when allocating funds to its 30 community colleges. There is an equalization component within the formula that relies on three factors.

1. Colleges with funds below the state average expenditure receive extra money.
2. There is an adjustment for schools receiving less than 44% of their revenue from the state.
3. There is an adjustment for schools with a low local tax base.

Given the states current fiscal situation, funding of certain program areas will probably be discontinued. In addition to these cutbacks, a few colleges may be forced to close.

Minnesota

Minnesota reports an average expenditure of $2,574 per FTE for 24,880 FTE students enrolled in its twenty community colleges. Salary increases,

increases in utility costs, and inflation form the bases for annual revenue increases. The increases in revenue have not been adequate to maintain program quality. However, a number of cost saving actions recently implemented, such as the reduction of administrative and service costs, have not adversely affected quality.

Minnesota employs a cost based allocation formula. After the ratios within the formula are agreed upon by the Chancellor and Presidents and subsequently approved by the board, a lump sum is given to each college.

The number of students fully funded in 1981-1982 was 20,235. For the next 1,012, the colleges received no funds. For the 1,700 that followed this group, the colleges received $450 per FTE and for the last group of 1,933 no funds were allocated. This situation, coupled with a recent cut of $7,600,000 in appropriated funds for the current biennium, has created serious financial problems for Minnesota's community colleges.

Mississippi

Although funds are distributed to Mississippi's 16 community colleges on an enrollment basis, the actual appropriation is not driven by enrollment. Each year, the budget commission recommends a specified dollar amount for legislative action. Current appropriations compute to $2,159 per FTE for 44,121 FTE students. No state funds are used to support non-credit courses. 14 percent of the state appropriation for operating funds is made to an agency other than the Division of Junior Colleges (Vocational Education Agency) which subsequently is allocated to junior colleges for the operation of Voc-Tech programs.

There are several major problem areas in Mississippi's community college

system including the following:

1. A ten percent limitation on increased county revenues has been mandated by state law.
2. Utility cost increases have been significant.
3. The cost of purchasing teaching equipment has increased.
4. Enrollments have risen without corresponding increases in state funds.

Missouri

The ten community colleges in Missouri are allocated funds through a unit rate formula. Current expenditures are reported to be $2,017 per FTE for 28,346 FTE students. Increases for inflation are based on personal service, expense and equipment, library acquisition and utility factors. These increases are applied to current credit hour costs rather than expenditure per FTE student.

Funding increases recommended by the Coordinating Board have not been approved by the General Assembly. This has caused institutions to increase in-district student fees by an average of 39% statewide since fiscal year 1980. Non-credit courses are generally not eligible for funding. Funding is provided for only those non-credit vocational courses in which there is a clear majority of the students enrolled out of a desire to upgrade or acquire employment related skills.

Two basic problems in financing Missouri's community colleges were reported.

1. There is currently insufficient revenue at the state level to provide adequate funding. Enrollments are continuing to increase while general revenue support is decreasing. This trend began in fiscal year 1981 and is continuing through fiscal year 1983.

2. There is currently no state support for community college capital improvements.

Montana

No report submitted. Montana uses a "reverse" minimum foundation plan whereby the state provides a certain percentage of an approved budget, student fees are added in, and the remainder must be provided by local districts. Community service courses are excluded from state support.

Nebraska

Funds allocated to Nebraska's six technical community college areas are first received by the Budget Division of the Legislative Fiscal Office, then recommendations are made by the Governor, and finally the appropriations are made by the Legislature. These funds are distributed to community colleges in ten relatively equal payments each year. The specific amount is calculated by the use of a unit rate funding formula.

Funds are allocated in three cost categories: Academic Support equals 1.0; Vocational-Technical I (courses requiring equipment of a general nature) equals 1.5; and Vocational-Technical II (courses that require specialized equipment and facilities) equals 1.75. These readjusted FTEs are called Reimbursable Educational Units (REUs). The first 15% of the appropriated funds is allocated equally to each of the six technical community college areas and the remaining 85% is allocated on the basis of proportionate shares of REUs as computed.

The current level of total support is reported to be $3,712 per FTE for 12,195 FTE students. Increases in funding have been arbitrary and have consistently shown no relationship to the FTE calculation. All non-credit courses are self-funded.

Problems in the area of financing Nebraska's Community College System are created by the existence of local tax levy limitations and limited state appropriations. In this state, operating expenses are almost equally shared between local and state sources. The state provides 38.3% of the total funds while the local districts provide 37.5% of the total expenditures.

Nevada

No report submitted. Nevada's four community colleges are funded through a cost-based funding formula.

New Hampshire

New Hampshire utilizes a negotiated budget process on a line item basis. The legislature does not appropriate funds on the basis of FTEs.

Recent budget reductions that have resulted in the loss of some staff have reduced the quality of programs. For several years, the state has been operating on a maintenance budget concept and it has reduced its services in fiscal year 1982-83. Services at the community colleges have consequently been reduced. It has been difficult to keep up, given the financial contraints of the state.

New Jersey

New Jersey employs a unit rate formula allocation process to finance its 16 community colleges. Current expenditures are reported to be $2,319 per FTE for 76,304 FTE students. Certain non-credit courses such as General Educational Development, Adult Basic Education, and developmental or occupationally related courses are funded by the state.

Recommendations are being considered to change the funding process. The recommended methodology has three general components 1) categorical funding

2) differential funding, and 3) hold harmless funding. A percentage of the state appropriation would first be set aside each year for categorical aid. The balance would be used for differential funding. However, proportionate share of any institution's potential gain from their total share of a categorical and differential funds would go into a hold harmless reserve to be reallocated to any institution that might have received less funding via the categorical and differential distribution than it did in the previous year. Cost ratios for differential funding would be spread from .75 to 2.0 across the following groups

.75 Non-credit fundable courses

1.0 General Liberal Arts courses

1.25 Liberal Arts and Science Laboratory, Light Technology

2.0 Allied Health and Heavy Technology

The two critical problems in financing New Jersey's community colleges that were reported include a cap on county appropriations and the low priority in general of higher education financial support by the elected officials of the state.

New Mexico

Combining all revenues, the level of support in New Mexico is reported to be $2,700 per FTE for 7,833 FTE students. New Mexico uses a unit rate formula when allocating these funds. Operational funds are divided into two broad categories.: Instructional and General (I&G) and Special Projects. I&G funds are allocated on the basis of enrollment driven formulas. There is a different formula for each of the seven discipline clusters.

The state uses the previous year student credit hour computation for formula purposes. This may change to a reliance on a three year average.

Selected non-credit vocational courses are funded. Community service courses, however, are not funded. No major problems were reported to exist in the financing of New Mexico's community colleges except those caused by local tax inconsistencies created by different laws.

A statewide survey of higher education is currently being conducted by the Board of Educational Finance.

New York

New York's state system is organized around two major branches: the State University of New York (SUNY) and the City University of New York (CUNY). 30 community colleges fall within the realm of SUNY and 9 are controlled by CUNY. New York uses a highly complex unit rate formula. Full opportunity colleges (those which accept all recent high school graduates in their sponsorship area) receive base state aid of 40% of the net operating costs while non-full opportunity colleges receive base state aid of 33% of the net operating costs. The base funding level is determined by a specified dollar per FTE based upon a three year moving average. There is additional dollars per FTE if the local sponsor contributes at least one-half mill per fully assessed property valuation.

New York has experienced very little growth in total enrollment since 1975 (2.4% positive change). It ranks seventh among the state in expenditure per FTE with the current rate reported to be $2,828 per FTE for 126,574 FTE students. The tuition policy is set by the local board of trustees. The state provides funding for remedial, vocational, and approved community service courses. Avocational and social group courses are not eligible.

There are several significant problems with the funding formula including

the complexity of the overall funding system, the lack of an inflation factor, and the FTE limit placed upon state aid. In addition, the state share appears to be dropping. There is pressure for more expenditures on local sponsor and, finally, many schools are capped by the 1/3 limitation on tuition.

North Carolina

North Carolina uses a unit rate formula to fund its 58 institutions. These include community colleges, technical institutes, and technical colleges. The base funding unit is the FTE. The community colleges, however, determine their FTE in a different fashion from other public sectors. One FTE represents 176 student clock hours per quarter. The current level of expenditure is 1,566 per FTE for curriculum and $970 per FTE for extension.

The community colleges have not experienced significant growth since 1975. The system experienced an overall growth in enrollment of 7.1% between 1975 and 1981.

Each institution is protected to a level of 90% of the initial allotment of the preceding fiscal year. One percent of the funds appropriated for FTE in curriculum/extension programs are retained by the state board for later allocations such as emergency needs.

North Carolina's major funding problems include significant differences in program costs among various institutions and inadequate appropriations for equipment.

North Dakota

No report submitted. North Dakota uses a negotiated budget allocation process to fund its five community colleges.

Ohio

Ohio's cost based funding process employed to allocate funds to its 34 two year colleges is based upon actual costs by program and updated with enrollment forecasts and inflation factors. Average expenditure is reported to be $2,450 per FTE for 35,093 FTE students. Actual appropriations generally have fallen short of what is needed and this, compounded by reductions during the operating year, has made it impossible to maintain a constant level of quality. This inadequacy of the state budget coupled with subsequent cuts of the original budget during the year of operation creates the most critical problem areas in community college finance.

Only non-credit remedial courses are funded from a line item appropriation to be implemented in fiscal year 1983.

Oklahoma

Although Oklahoma's 15 community colleges experienced a 38.5% growth in overall enrollment from 1975 to 1981, enrollment during the remaining years of the 1980s is expected to decline. Oklahoma uses a cost based program funding process to finance its system. Non-credit courses, community service courses, and auxiliary enterprises are excluded from state support. Instructional programs undergo a cost analysis with FTE enrollment figured into the process. The average expenditure per FTE is reported to be $2,434 for 27,764 FTE students.

State appropriations have been adequate to maintain program quality but colleges have not yet received the full amount of the budget requests. Studies are now underway to consider alternatives to the current funding system.

Oregon

A modest increase in the dollars paid per FTE is in the Governor's

recommended budget for Oregon's Community Colleges. Salary increases are probably the most significant factor in this regard though several colleges froze salaries this year. Most did not.

The current level of expenditure is reported to be $2,557 per FTE for 56,686 FTE students which is allocated through a unit rate funding process. Recent increases in expenditures have not been sufficient to maintain a constant level of quality. Oregon's community colleges have faced state reductions in aid at the same time that they have faced increased demands for educational programs. The result has been to reduce access somewhat and to expand some program enrollments beyond their optimum size.

Colleges receive state reimbursement only for the FTE students they serve. If enrollment declines, state reimbursement does too. For the last three years the state has not provided enough money to fully fund the students actually served by community colleges. This problem still persists. Also, property taxes are seen by many as bearing too heavy a burden for funding schools and community colleges. Property tax payers have become unwilling to fill the funding gap the colleges now face.

One alteration to the funding process currently under consideration would include the movement to a system of managed enrollments. In this scheme, the state would specify, prior to each budget cycle, the number of FTE students by instructional category it would finance at each institution for the coming biennium. Institutions that accepted more students than the contracted level could not expect reimbursement from the state for that portion of enrollments.

Pennsylvania

Pennsylvania's 14 community colleges submit their projected budgets for

the coming fiscal year based on the estimated full-time student enrollments for the current and past years. The Department of Education reviews the request for each community college and forwards a recommendation to the Governor's office. The final budget figure is included in the Commonwealth's total budget submitted to the Legislature for appropriation. This appropriation is allocated by using a unit rate funding formula.

FTE is computed as the number of full-time students enrolled for 12 credits or more plus one-twelfth of the total credits for which part-time students enroll. Reimbursement by the state is one-third of the approved per student operating cost times the number of FTE. There are no differences in funding procedures for credit and non-credit courses. The Commission for Community Colleges has contracted with a consultant to review funding in other states and in Pennsylvania and then to suggest new funding alternatives.

The only reported problems facing Pennsylvania's community colleges are the additional funds required for capital costs and contracted repairs needed for the college's physical facilities, renovations, purchase and replacement of high technology program equipment.

Rhode Island

The Governor and State Legislature review the entire revenue and expenditure program of the community college. A negotiated budget process is then used to allocate funds. The current level of support was reported to be $2,932 for 7,767 FTE students. Salaries have increased 7.5% and overall operating increases have amounted to 11% over the past year. Increases in the level of expenditures have not been sufficient to maintain program quality. Physical plant maintenance has been neglected. The replacement of needed lab equipment has been limited. Non-credit courses are funded by the tuition charged.

The budgeting process is essentially an incremental one. For the past several years, budget requests have been restricted by an 8% "cap" which does not allow for growth or inflation. Rising utility costs have caused severe problems in balancing the budget. The major reported problem was the severe limits on state resources. The impact of cutbacks in Federal programs for other state agencies will not allow increases in state funding for expansion or needed building maintenance.

South Carolina

The current level of support for South Carolina's 16 community colleges is reported to be $1,739 for 37,407 FTE students (32,787 curriculum FTE and 4,620 continuing education). A unit rate formula is used to allocate these funds. This current formula is under review by the Commission of Higher Education. Continuing education is funded on the basis of contact hours generated. These hours are converted to credit equivalent. Community service is funded through actual cost recovery fees charged to students.

The most significant reported problem was the need for appropriation stability from one year to another. In vocational areas, securing adequate equipment funding for technological changes in industry has presented a problem. There exists in South Carolina's system overall austere budgeting within the institutions as well as within the central administration.

South Dakota

There are no public community colleges in South Dakota.

Tennessee

Total enrollment in Tennessee's 12 community colleges grew 49.7% from 1975 to 1981. The enrollment driven funding process uses the unit rate formula with

the base unit being student credit hours. The funding formula is driven by average statewide costs for higher education programs. These costs are reported biennially in a cost study conducted by the Tennessee Higher Education Commission (THEC). The THEC makes recommendations to the Governor's office based on the funding formula. The Governor includes this amount in the State Budget Document for Legislative consideration. Minor adjustments are made in the formula each year, but the basic structure remains the same. There has been some discussion in the past about a formula driven by student/faculty ratios. No recent proposals, however, have been submitted for consideration. Current expenditures are reported to be $2,365 per FTE for 19,573 FTE students.

An amount of $50,000 is appropriated for each institution for administration of public services and continuing education programs with FTE enrollments of 2500 or less. An amount of $75,000 will be recommended for community colleges with enrollments of 2501 FTE or more.

An enrollment range has been established. If an institution's enrollment falls within the range, then the institution will be recommended for funding at the range mid point.

There is a formula differential employed in some cases to initiate or continue desegregation activities. A formula advisory committee functions to review formula adjustments.

The most significant problem reported in funding Tennessee's community college system was difficulty experienced by the smaller units in generating adequate funds.

Texas

Texas has 61 community colleges operating within 47 districts. Their cost based program funding formula employs student contact hours as the base funding

unit and not FTE. The state provides approximately 65% of the revenues and the local government provides 25% of the funds needed. Student tuition and fees provide the remaining 10%.

Formula recommendations for each biennium are based on studies which analyze costs incurred during a given year. Three elements of cost per contact hour are determined: faculty salaries, departmental operating expenses, and overhead. Statewide average costs are obtained for 18 academic and 34 vocational programs. An inflation factor, the Higher Education Price Index (HEPI) is incorporated into the formula. All non-credit courses are locally funded by fees and/or local taxes. Regular vocational programs are fully state funded. They are generated and disbursed exactly as academic support funds.

A major problem has been created by the fact that maintenance, and operating expenses have increased much faster than local tax revenues. Since these budget items must be paid with local taxes, particular increases have been the central area of concern.

Utah

Utah does not employ a formula to finance its five community colleges. A negotiated budget is formulated after the legislature has heard and reviewed the "needs" of each institution. The current level of expenditure is reported to be $2,825 per FTE for 11,214 FTE students. Enrollments have grown rapidly at Utah's community colleges and funding has not kept pace with this growth. Given this situation, a constant level of quality has not been maintained.

Non-credit courses are excluded from state support. Funds for vocational education are administered through the Board of Vocational Education, a separate body from the community college administration. The central problem facing Utah's community colleges is coping with limited resources and growing

demands on state resources.

Vermont

The Community College of Vermont is part of the Vermont State College System. This system is a statutory, public corporation which receives a lump sum appropriation annually in the form of a grant to the Board of Trustees. The Board allocates the appropriation and charges tuitions and fees as it deems appropriate. There are no appropriations to individual institutions. Increases have been driven primarily by inflation and some new program development. No formulas are used as it is a negotiated process with the state.

Vermont's community college has no campus facilities. 60% of the total operating expenses are provided through tuition. Non-credit courses are funded exclusively through tuition. Current expenditures are reported to be $2,000 per FTE for 650 FTE students. No special problems were reported.

Virginia

Virginia's 23 community colleges experienced a 26.9% growth in total enrollment from 1975 to 1981. Current expenditures are reported to be $2,324 per FTE for 6,434 FTE students. These figures include community education and public service non-credit expenditures as well as work study.

The state appropriations act requires a 30% return to cover indirect costs for every dollar expended on non-credit courses. Non-credit courses in community education and public service, therefore, must be 130% self sustaining. The Commonwealth appropriates state monies only for credit instruction. There is for the first time a serious consideration to fund new programs from other than FTE driven enrollment. This proposal however has not yet been implemented.

The two major problems in financing Virginia's community college that were

reported are:

1) the lack of availability of state funds
2) the continuing competition of the Community College System as an institution of higher education for funding versus the four year institutions of the state.

Washington

The State Board for Community College Education constructs a consolidated budget request for Washington's 23 community college districts. The Board also approves the procedures and policies governing allocation of funds to the districts. This state board does not exercise oversight of internal operating budgets established by the district's local boards. The funds are allocated through the use of a program cost funding formula.

College districts do not have local tax support. As a consequence, students may cross district lines at fees that are uniform.

Salary increases of approximately 7.2% were provided to the faculty in 1981-82, and a similar percentage was applied to classified and exempt staff for three quarters of the year. Non-labor inflation occurred at about the same percentage. Decreasing levels of formula support together with salary increases and inflation have eroded unit support per student such that the per student cost has declined in constant dollars. The current level of support is reported to be $2,223 per FTE for 86,101 FTE students. Measured by support level in constant dollars, community colleges declined in quality in 1981-82.

The state tax base is heavily reliant on sales and use taxes and the base has been eroded by economic decline and tax reductions. A broader tax base is needed, as is economic recovery. The attention that has been directed towards budget formula revision has been related in part to anticipation of

possible enrollment declines in the 1980s. Thus far, the state continues to use "average costing" formulas which are troublesome when enrollments decline.

West Virginia

Individual budget requests are submitted by each community college to the Board of Regents. Hearings are held by the board with each college and then a consolidated budget request is submitted to the Governor and Legislature. Following the hearings with both the Governor and the Legislature, the resulting appropriation is allocated by the Board among the public institutions based upon statewide goals and institutional needs.

Presently, the average expenditure per FTE is reported to be $2,739 for 4,150 FTE students. Non-credit courses must be self supporting with respect to all direct costs. State funding is not directly tied to enrollment so declines initially affect only fee revenue.

Only when a pattern of decline persists are steps taken to reallocate state funds.

West Virginia's primary problems appear to be the need to increase salaries, the need to acquire often expensive technical training equipment, and the need to keep pace with the general rate of inflation. Establishing a proper balance between student fees and state support is also becoming an area of prime concern.

Wisconsin

Wisconsin's community colleges operate within vocational, technical, and adult education districts along with University Center System campuses. The state employs a cost-based program funding formula. The annual cost estimate is revised periodically during the year to arrive at actual costs. The reported expenditure per FTE is $3,560 for 61,919 FTE students. Community service

courses are excluded from state aid.

The legislature has been considering several bills that call for increased fiscal accountability. One major problem facing Wisconsin appears to be the state cost controls. Also, there is a decreasing rate of increase in property valuation. This has been coupled with a 1.5 mill levy limitation. Since 49.1% of the total operating budget comes from local taxes, this has had a significant impact on Wisconsin's Community College System.

Wyoming

Wyoming provides state funds on a negotiated basis. There are no formulas involved in this process. Current average expenditures are reported to be $3,300 for approximately 10,000 FTE students. Funding increases have apparently been sufficient to maintain program quality.

Each individual institution determines its own tuition policy. Community colleges, however, have been encouraged by the state to assess at least $300 tuition yearly for support of the institutions current fund. The average annual tuition is reported to be $325. Non-credit courses are designed to be funded strictly through course fees.

Wyoming receives 100% of its capital outlay from mineral royalties and state severance taxes on minerals. Wyoming's most significant problem in financing its community colleges was reported to be an abundance of money. Given these conditions, it has been suggested that schools tend to be very protective and ambitious when compared with other state funded groups.

SECTION III

Statistical Data

The following tables provide data as have been reported by the state agencies in the various states for 1982.

Table 1, A & B, presents the comparison of the sources of funds computed as an average of the states and as a median percentage of the states. Similar information from previous years indicates that a peak of state support has apparently been reached. Adjustments since 1980 have come through some increase in local support and some increase in student fees. Even though federal funds were not included in previous studies this one includes them. The "Other" category indicates an increased attention to sources external to usual tax support, state and local.

Table 3 shows a range of expenditures per FTE that is in a ratio of over 3 to 1 between the highest and the lowest states. For the 35 states reporting the mid-point is about $2,350 per FTE. This figure may be compared with about $2,025 in the 1980 study, a 16% increase over the two year period.

Table 4 shows the state by state differences between 1980 and 1982. The notable fact in this table is the wide variance between various states. No consistent pattern is discernable. A range of change extends from an 8% decrease in one state to a 61% increase in another.

Table 5 illustrates the variety of emphasis on sources of support by state. When these percentages are compared with similar data in previous studies, a strong consistency between 1980 and 1982 will be noted. Patterns in states follow a consistent pattern within short frameworks in any case. The 1982 data are similar for each state to those statistics reported for 1980. When compared with 1967, however, interesting changes are apparent.

Table 6 displays little consistency in the provisions of capital outlay. Several states still depend on local bonds or local taxes for capital outlay while others are equally dependent upon the state sources. The presence of the "other" category will need to oe watched over the next few years.

Table 7 further indicates that little current attention is being given to capital outlay in any case. Most states provide less funding in 1982 than had been available in 1980.

Table 8 reports comments regarding problems as assessed by the state directors. These are discussed in Section I and will be further discussed in Section IV.

Table 1

(A)

Comparison of State Support, Local Support, Student Fees, and Federal Support (Average Percentages) of Current Operating Funds

	1982 %	1982 Range % - %
State Support	58.4	19.4 - 90.8
Local Support	14.9	0 - 51.0
Student Fees	20.5	0 - 68.5
Federal Support	4.6	0 - 15.8
Other	1.6	0 - 15.4

Table 1

(B)

Comparison of State Support, Local Support, Student Fees, and Federal Support (Median Percentages) of Current Operating Funds

	1982 %	1982 Range % - %
State Support	65.0	19.4 - 90.8
Local Support	10.9	0 - 51.0
Student Fees	20.0	0 - 68.5
Federal Support	3.0	0 - 15.8
Other	1.1	0 - 15.4

Table 2

States From Which No Data Were Reported

No Data Reported	Fall 1981 Enrollment (Public)
Georgia	38,032
Idaho	4,122
Louisiana	13,905
Montana	3,439
Nevada	19,847
North Dakota	7,589
South Dakota	N/A
7 States Total	86,934
% of Total Enrollment (4,742,861) = 1.8	

Source: AACJC Directory

Table 3

Rank Order of States by Reported Expenditure Per FTE, 1982

State	Reported FTE	Reported Expenditure/FTE
Arkansas	6,285	$ 5,382
Nebraska	12,195	3,712
Wisconsin	61,919	3,560
Wyoming	10,000	3,300
Missouri	28,346	3,017
Rhode Island	7,767	2,932
New York	126,574	2,828
Utah	11,214	2,825
Delaware	6,042	2,814
New Mexico	7,833	2,700
Colorado (Local)	8,461	2,683
Indiana	4,771	2,595
Minnesota	24,880	2,574
Hawaii	13,362	2,568
Oregon	56,686	2,557
Maryland	60,780	2,452
Ohio	35,093	2,450
Oklahoma	27,764	2,434
Tennessee	19,573	2,365
Connecticut*	3,578	2,347
Arizona	52,347	2,336
Colorado (State)	21,744	2,336
Massachusetts	N/A	2,325
Virginia	61,434	2,324
New Jersey	76,304	2,319
Washington	86,101	2,223
Mississippi	44,121	2,159
Kentucky	13,209	2,141
Florida	198,284	2,112
California	752,490	2,021
Vermont	750	2,000
Illinois	200,004	1,996
Kansas	23,578	1,987
Alabama	40,844	1,841
South Carolina	37,407	1,739
North Carolina	87,640	1,566
Iowa	N/A	N/A
Alaska	N/A	N/A
Pennsylvania	N/A	N/A
Michigan	N/A	N/A
Maine	N/A	N/A
Texas	N/A	N/A
New Hampshire	N/A	N/A

*(CT Reported on Technical Colleges/1981)

Table 4

Changes in Reported Expenditure per FTE, 1980 to 1982

State	1980	1982	Percent Change (Two Years)	Program Quality Maintained
Alabama	$ 1,563	$ 1,841	+18	Yes
Alaska	N/A	N/A	--	Yes
Arizona	N/A	2,336	--	N/R
Arkansas	3,333	5,382	+61	No
California	1,769	2,021	+14	No
Colorado (State)	1,898	2,336	+23	Yes
Colorado (Local)	2,225	2,663	+19	N/R
Connecticut	1,703	2,347	+38	Yes
Delaware	2,500	2,814	+13	N/R
Florida	1,760	2,112	+20	N/R
Hawaii	N/A	2,568	--	No
Illinois	1,977	1,973	0	Yes
Indiana	N/A	2,595	--	Yes
Iowa	2,027	N/A	--	No
Kansas	1,724	1,987	+15	Yes
Kentucky	1,803	2,141	+19	No
Maine	N/A	N/A	--	N/R
Maryland	2,195	2,452	+12	N/R
Massachusetts	N/A	2,325	--	Yes
Michigan	N/A	N/A	--	Yes
Minnesota	N/A	2,574	--	No
Mississippi	1,907	2,159	+13	N/R
Missouri	2,421	3,017	+25	N/R
Nebraska	2,736	3,712	+36	No
New Hampshire	2,976	N/A	--	No
New Jersey	2,020	2,319	+15	No
New Mexico	2,427	2,700	+11	Yes
New York	2,664	2,828	+ 6	N/R
North Carolina	1,366	1,566	+15	Yes
Ohio	2,201	2,450	+11	No
Oklahoma	1,854	2,434	+31	Yes
Oregon	N/A	2,557	--	No
Pennsylvania	2,200	N/A	--	N/R
Rhode Island	2,839	2,932	+ 3	No
South Carolina	1,547	1,739	+12	No
Tennessee	N/A	2,365	--	N/R
Texas	N/A	N/A	--	Yes
Utah	3,072	2,825	-8	No
Vermont	N/A	2,000	--	Yes
Virginia	2,109	2,324	+10	Yes
Washington	1,924	2,223	+16	No
Wisconsin	3,193	3,560	+11	Yes
Wyoming	N/A	3,300	--	Yes

Table 5

Percent of 1982 Operating Funds by Source

	State %	Local %	Student Fees %	Federal %	Other %
Alabama	79	0	20	1	0
Alaska	73	0	7	8	12
Arizona	23	45	9	0	23
Arkansas	55	0	17	16	12
California	68	22	2	8	0
Colorado (State)	67	0	31	2	0
Colorado(Local)	39	37	22	0	2
Connecticut	85	0	15	0	0
Delaware	87	0	0	13	0
Florida	67	0	22	7	4
Hawaii	84	0	0	8	8
Illinois	35	30	24	6	5
Indiana	31	0	69	0	0
Iowa	52	11	26	9	2
Kansas	32	51	15	1	1
Kentucky	71	0	20	5	4
Maine	N/A	N/A	N/A	N/A	N/A
Maryland	36	32	28	0	4
Massachusetts	N/A	N/A	N/A	N/A	N/A
Michigan	40	27	30	0	3
Minnesota	69	0	30	0	1
Mississippi	41	18	18	9	14
Missouri	40	25	22	2	11
Nebraska	38	38	15	7	2
New Hampshire	67	0	24	9	0
New Jersey	31	33	31	0	5
New Mexico	75	7	15	3	0
New York	32	22	29	9	8
North Carolina	78	14	7	1	0
Ohio	47	23	25	2	3
Oklahoma	81	6	11	0	2
Oregon	33	34	20	2	11
Pennsylvania	33	33	34	0	0
Rhode Island	79	0	21	0	0
South Carolina	54	9	19	15	3
Tennessee	71	0	23	2	4
Texas	65	25	10	0	0
Utah	81	0	17	2	0
Vermont	35	0	60	5	0
Virginia	76	0	22	2	0
Washington	91	3	0	6	0
Wisconsin	19	49	10	9	13
Wyoming	63	26	8	3	0

TABLE 6

Percent of 1980 Capital Outlay by Source
(As defined by each states' building and/or equipment)

	State Appropriations %	Local Taxes %	State Bonds %	Other %
Alabama	N/R	N/R	N/R	N/R
Alaska	100	0	0	0
Arizona	36	23		41
Arkansas	N/A	100	N/A	N/A
California	55	33	12	0
Colorado	capital outlay comes out of operation funds			
Connecticut	0	0	100	0
Delaware	100	0	0	0
Florida	8.9	24.9	51.7	14.5
Georgia	N/R	N/R	N/R	N/R
Hawaii	0	0	100	0
Idaho	N/R	N/R	N/R	N/R
Illinois	17.2	81.5		1.3
Indiana	42	N/A	58	N/A
Iowa	0	100	0	0
Kansas	0	100	0	0
Kentucky	100	0	0	0
Louisiana	N/R	N/R	N/R	N/R
Maine	N/A	N/A	N/A	N/A
Maryland	0	50	50	0
Massachusetts	0	0	0	0
Michigan	0	0	0	0
Minnesota	0	0	0	0
Mississippi	0	90	0	10
Missouri	0	100	0	0
Montana				
Nebraska	0	100	0	0
Nevada	N/R	N/R	N/R	N/R
New Hampshire	100	0	0	0
New Jersey	1	42	0	57
New Mexico	0	25	75	0
New York	0	50	50	0
North Carolina	59	18	0	23
North Dakota	N/R	N/R	N/R	N/R
Ohio	0	0	93	7
Oklahoma	62	38	0	0
Oregon	33	35	32	0
Pennsylvania	50	50	0	0
Rhode Island	100	0	0	0
South Carolina	0	0	72	28
South Dakota	N/R	N/R	N/R	N/R

Table 6 (cont'd)

	State Appropriations %	Local Taxes %	State Bonds %	Other %
Tennessee	24	0	76	0
Texas	0	50	0	50
Utah	100	0	0	0
Vermont	No campus facilities			
Virginia	55	28	3	14
Washington	0	0	75	25
West Virginia	0	0	0	100
Wisconsin	N/A	N/A	N/A	N/A
Wyoming	0	0	0	100

TABLE 7

State Appropriations for Community Colleges (in thousands of dollars)

	Operating Expenses			Capital Outlay			Total		
	1980	1982	% change	1980	1982	% change	1980	1982	% change
Alabama	39,250	44,981	14	N/A	N/A	-----	N/A	N/A	-----
Alaska	N/A	N/A	-----	N/A	4,452	-----	N/A	N/A	-----
Arizona	N/A	42,362	-----	N/A	20,975	-----	N/A	N/A	-----
Arkansas	12,159	13,394	10	N/A	N/A	-----	N/A	N/A	-----
California	997,149	1,107,518	11	20,769	5,619	- 72	1,017,828	1,113,137	-----
Colorado	N/A	8,635	-----	N/A	N/A	-----	N/A	N/A	-----
Connecticut	28,482	27,695	- 3	5,665	N/A	-----	34,147	N/A	-----
Delaware	15,814	17,426	10	1,169	369	- 68	16,983	17,795	4
Florida	220,852	279,453	26	69,387	37,953	- 45	290,239	317,406	9
Georgia	N/A	5,937	-----	657	N/A	-----	N/A	N/A	-----
Hawaii	N/A	N/A	-----	N/A	2,929	-----	N/A	N/A	-----
Idaho	4,800	4,334	- 9	N/A	N/A	-----	N/A	N/A	-----
Illinois	128,320	154,575	20	46,041	23,800	- 48	174,361	178,375	2
Indiana	N/A	8,477	-----	N/A	1,710	-----	N/A	10,187	-----
Iowa	53,034	47,015	- 11	10,242	29,564	181	63,276	76,579	21
Kansas	N/A	20,066	-----	1,929	N/A	-----	N/A	N/A	-----
Kentucky	17,417	N/A	-----	8,503	553	- 93	25,920	N/A	-----
Louisiana	N/A	N/A	-----	N/A	N/A	-----	N/A	N/A	-----
Maine	N/A	N/A	-----	N/A	N/A	-----	N/A	N/A	-----
Maryland	45,685	58,326	27	N/A	4,400	-----	N/A	62,726	-----
Massachusetts	N/A	65,002	-----	N/A	N/A	-----	N/A	N/A	-----
Michigan	N/A	134,902	-----	N/A	0	-----	N/A	134,902	-----
Minnesota	N/A	44,986	-----	N/A	0	-----	N/A	44,986	-----
Mississippi	31,317	36,191	15	N/A	0	-----	N/A	36,191	-----
Missouri	30,232	26,286	20	N/A	N/A	-----	N/A	N/A	-----
Montana	1,940	2,493	28	2,600	N/A	-----	N/A	N/A	-----
Nebraska	N/A	18,702	-----	1,880	N/A	-----	N/A	N/A	-----
Nevada	10,133	11,508	13	7,274	N/A	-----	N/A	N/A	-----

Table 7 (cont'd)

	Operating Expenses			Capital Outlay			Total		
	1980	1982	% change	1980	1982	% change	1980	1982	% change
New Hampshire	10,273	N/A	-----	6,870	11,709	70	17,143	N/A	-----
New Jersey	N/A	55,663	-----	N/A	7,853	-----	N/A	63,516	-----
New Mexico	17,588	338	- 98	N/A	9,975	-----	N/A	10,313	-----
New York	N/A	174,481	-----	N/A	N/A	-----	N/A	N/A	-----
North Carolina	174,805	193,923	10	9,754	552	- 94	184,559	194,475	5
North Dakota	N/A	3,005	-----	N/A	N/A	-----	N/A	N/A	-----
Ohio	39,980	44,532	11	0	N/A	-----	N/A	N/A	-----
Oklahoma	N/A	454	-----	7,018	9,800	39	N/A	10,254	-----
Oregon	N/A	51,347	-----	N/A	N/A	-----	N/A	N/A	-----
Pennsylvania	44,000	44,600	1	14,695	12,739	- 13	58,695	57,339	- 2
Rhode Island	15,007	14,994	-.08	438	584	33	15,445	15,578	.008
South Carolina	40,415	56,057	38	5,238	9,488	81	45,653	65,547	43
South Dakota	N/A	N/A	-----	N/A	N/A	-----	N/A	N/A	-----
Tennessee	N/A	32,653	-----	1,859	655	- 64	N/A	33,318	-----
Texas	N/A	334,959	-----	N/A	N/A	-----	N/A	N/A	-----
Utah	N/A	N/A	-----	N/A	N/A	-----	N/A	N/A	-----
Vermont	N/A	N/A	-----	N/A	N/A	-----	N/A	N/A	-----
Virginia	109,292	105,524	- 3	17,541	14,209	- 18	126,833	119,733	- 5
Washington	188,239	184,570	- 2	39,000	20,000	- 23	227,239	204,570	- 9
West Virginia	N/A	8,750	-----	N/A	500	-----	N/A	9,250	-----
Wisconsin	64,134	N/A	-----	23,908	21,320	-----	88,042	N/A	-----
Wyoming	N/A	22,215	-----	N/A	33,000	-----	N/A	55,215	-----

Table 8

Percent of 1982 Operating Funds Compared With Percent of 1967 Operating Funds by Source

	State	Local	Fees & Tuition	Federal	Other
	1967-1982	1967-1982	1967-1982	1967-1982	1967-1982
Alabama	59 - 79	0 - 0	18 - 20	21 - 1	2 - 0
Arizona	47 - 23	43 - 45	1 - 9	3 - 0	6 - 23
Arkansas	32 - 55	31 - 0	25 - 17	10 - 16	2 - 12
California	32 - 68	60 - 22	0 - 2	3 - 8	5 - 0
Colorado (State)	40 - 67	31 - 0	15 - 31	2 - 2	12 - 0
Colorado (Local)	N/A - 39	N/A - 37	N/A - 22	N/A - 0	N/A - 2
Connecticut	79 - 85	0 - 0	20 - 15	1 - 0	0 - 0
Delaware	100 - 87	0 - 0	0 - 0	0 - 13	0 - 0
Florida	59 - 67	11 - 0	24 - 22	5 - 7	1 - 4
Hawaii	75 - 84	0 - 0	2 - 0	23 - 8	0 - 8
Illinois	31 - 35	47 - 30	12 - 24	2 - 6	8 - 5
Indiana	13 - 31	2 - 0	31 - 69	10 - 0	44 - 0
Iowa	55 - 52	17 - 11	14 - 26	12 - 9	2 - 2
Kansas	17 - 32	40 - 51	14 - 15	5 - 1	24 - 1
Kentucky	98 - 71	0 - 0	0 - 20	2 - 5	0 - 4
Maine	N/A	N/A	N/A	N/A	N/A
Maryland	21 - 36	47 - 32	25 - 28	6 - 0	1 - 4
Massachusetts	71 -	0 -	25 -	4 -	0 -
Michigan	36 - 40	26 - 27	29 - 30	2 - 0	7 - 3
Minnesota	71 - 69	0 - 0	27 - 30	2 - 0	0 - 1
Mississippi	39 - 41	35 - 18	11 - 18	4 - 9	4 - 14
Missouri	31 - 40	37 - 25	17 - 22	5 - 2	10 - 11

Table 8 (cont'd)

	State 1967-1982	Local 1967-1982	Fees & Tuition 1967-1982	Federal 1967-1982	Other 1967-1982
Montana	59 - N/A	20 - N/A	17 - N/A	4 - N/A	0 - N/A
Nebraska	26 - 38	35 - 38	33 - 15	0 - 7	6 - 2
Nevada	4 - N/A	0 - N/A	34 - N/A	0 - N/A	62 - N/A
New Hampshire	N/A- 67	N/A - 0	N/A - 24	N/A - 9	N/A - 0
New Jersey	50 - 31	25 - 33	25 - 31	0 - 0	0 - 5
New Mexico	0 - 75	33 - 7	51 - 15	11 - 3	5 - 0
New York	32 - 32	38 - 22	21 - 29	2 - 9	7 - 8
N. Carolina	79 - 78	11 - 14	8 - 7	2 - 1	0
N. Dakota	67 - N/A	0 - N/A	33 - N/A	0 - N/A	0 - N/A
Ohio	36 - 47	25 - 23	30 - 25	2 - 2	7 - 3
Oklahoma	59 - 81	4 - 6	32 - 11	0 - 0	5 - 2
Oregon	48 - 33	22 - 34	23 - 20	7 - 2	0 - 11
Pennsylvania	31 - 33	31 - 33	31 - 34	7 - 0	0 - 0
Rhode Island	63 - 79	0 - 0	18 - 21	1 - 0	18 - 0
S. Carolina	N/A - 54	N/A - 9	N/A - 19	N/A - 15	N/A - 3
Tennessee	62 - 71	0 - 0	13 - 23	15 - 2	10 - 4
Texas	51 - 65	30 - 25	19 - 10	0 - 0	0 - 0
Utah	67 - 81	0 - 0	24 - 17	8 - 2	0 - 0
Vermont	N/A - 35	N/A - 0	N/A - 60	N/A - 5	N/A - 0
Virginia	79 - 76	0 - 0	11 - 22	10 - 2	0 - 0
Washington	76 - 91	0 - 3	13 - 0	11 - 6	0 - 0
Wisconsin	N/A - 19	N/A - 49	N/A - 10	N/A - 9	N/A - 13
Wyoming	31 - 63	43 - 26	17 - 8	4 - 3	5 - 0

Table 9

Problem Areas in Financing Community Colleges

Alabama

--Several questions have caused concern including the following:
How shall prisoner's tuition, fees, and books be paid?
Should the more expensive programs be cost weighted?
Should the junior and community colleges include more high technology programs?
How should the overall level of funding be improved?

Alaska

--The location of Alaska in relation to the other United States
--The location of the institutions within the state
--Competititon with other higher education institutions and state agencies
--The fact that most of the community colleges are developing institutions and have not yet achieved economies of scale

Arizona

--The state does not provide enough of the funds (23.4%) so the local districts have to assume the greater share. There is also a constitutional limitation at the local level.

Arkansas

--Restricted state revenues which do not permit adequate levels of total funding.

California

--Increased demands for services and limited resources.

Colorado

--Continuing decrease (in real dollars) in funding
--Lack of local property taxes making colleges dependent upon the state
--A number of small rural colleges that are not cost effective

Connecticut

--Status quo budget leads to stagnation
--Inconsistent policies between community and technical colleges

Delaware

N/R

Florida

--Insufficient funding of high cost technical and health programs
--Lack of developmental funds
--Lack of funds to support mandated requirements for additional instruction in communication and computation skills and implementation of College Level Academic Skills Program
--Inadequate funding to improve faculty salaries

Hawaii

--State general support is expected to decline in the face of enrollment increases and declining revenues.
--Capital projects would be slow in coming due to expenditure ceilings imposed
--Student financial aid is being cut
--Tuition and fees increases are being investigated
--Noncredit and related courses must shift to self support basis

Illinois

--The state has not been able to fund the inflationary cost increases in the formula which have been experienced by the colleges for the past two years. This has been primarily caused by the considerable decline in state reveneues during this period. Meanwhile, enrollments at the community colleges have increased substantially putting many colleges into a financial squeeze. Most colleges have reluctantly raised tuitions to cope with this situation.

Indiana

N/R

Iowa

--An equitable funding formula and sufficient state resources to fund the formula.

Kansas

--Inequity of district evaluations and no equalization formula.

Kentucky

N/R

Maine

N/R

Maryland

--A financial concern to Marlyand's community colleges is whether the state can afford to fully fund and absorb certain social security (est. $5 million) and pensin costs (est. $4 million) or will elect to share such costs with local political subdivisions.

Massachusetts

N/R

Michigan

-- Given the state's fiscal situation, funding of certain program areas probably will be discontinued. A few schools will be closed.

Minnesota

-- No funds appropriated for several thousand students. Temporary "enrollment bulge" should be funded out of additional receipts according to state.

Mississippi

-- A ten percent limitation on increased county revenues under state law
-- Uncontrollable utility cost increases
-- Increased enrollment without corresponding increase in state funds

Missouri

-- Insufficient revenue at state level coupled with increased enrollments
-- No state support for capital improvements

Nebraska

-- Local tax levy limitations
-- Limited state appropriations

New Hampshire

-- The state has been operating on a maintenance budget concept for several years. It is extremely difficult to keep up given the fiscal restraints of the state.

New Jersey

-- Cap on county appropriations
-- Low priority of higher education financial support by elected officials

New Mexico

-- Local tax inconsistency caused by different laws

New York

-- State share dropping
-- Mandated expenditures on local sponsor

North Carolina

-- Insufficient Equipment Funds
-- Difference in Program Costs

Ohio

-- Inadequacy of the state budget appropriation and subsequent cuts of the original budget during the year of operation.

Oklahoma

-- No specific problems

Oregon

-- For the last three years the state has not provided enough money to fully fund the students actually served by community colleges.

Pennsylvania

-- Additional funds required for capital cost and contracted repairs needed for the colleges' physical facilities, renovations, purchase and replacement of high technology program equipment.

Rhode Island

-- State resources have become very limited

South Carolina

-- Appropriation stability from one fiscal year to another
-- Overall austere budgeting

Tennessee

-- The smaller units have difficulty generating adequate funds.

Texas

-- Utility costs, maintenance and operation expenses rising much faster than local taxes

Utah

-- Limited resources and growing demands on state resources

Vermont

N/R

Virginia

-- Availability of state funds
-- Competition between community college system and four year institutions

Washington

-- The state tax base is heavily reliant on sales and use taxes and the base has been eroded by economic decline and tax restrictions.

West Virginia

-- The need to increase salaries, acquire often sophisticated and expensive technical training equipment, and keep pace with the general rate of inflation. Establishing a proper balance between student fees and state support is also becoming a problem.

Wisconsin

-- Decreasing rate of increase in property valuations coupled with a 1.5 mil levy limitation and a lack of state funding at the calculated full claims level.

Wyoming

Too much money, which, strange as it seems, is much more difficult to budget than having too little.

SECTION IV

The Future

In Section I of this report several trends were summarized; this final section will attempt to derive trends that may be used in assessing the future.

In 1962 Morrison and Martorana concluded a study of state formulas for the support of public two-year colleges with a list of "unanswered questions":

1. Should public two-year colleges be tuition free?
2. Are public two-year colleges secondary or higher education?
3. How can support be secured for land acquisition and improvement and for planning and constructing facilities for the two-year college?
4. What should be considered a two-year college?
5. What is the desirable level of current support?
6. How can effective procedures for setting support be formulated?

In retrospect these questions seem almost simplistic to a 1983 administrator, Board member, faculty member, or citizen in the community.

This most recent study indicates a continuing trend toward increased state tax and student fee support with an accompanying increase in local tax support. The search for a magic formula continues but now the searchers do not expect to find a solution. Instead they are beginning to seek for ways to cut back educational services to students as well as the total numbers of students who could be served in a state. Increased costs have caused reexamination of traditional community college commitments as often as they have resulted in reluctant consideration of increased in available funding.

The SREB in a September, 1982 publication (Regional Action) identified six major areas as anticipated continuing sources of special financial problems:

1. The price of utilities preempting a larger and larger share of available funds.
2. The large backlog of maintenance and equipment becoming an irresistable need.
3. Increasing library costs including deterioration of library materials pressuring the budget.
4. Relationship of enrollment decline to decreased income from tuition--restricting income even further.
5. Uncompetitive faculty salaries resulting in deterioration of quality.
6. Older tenured faculty with low turnover and highest level of salaries--inhibiting possible changes.

These areas were viewed as applying to higher education in general but all of them affect the community colleges in particular. In addition to these problems, however, the overall ones of identifying an adequate source of income continues to plague community colleges. In fact, there is some evidence to indicate that the community college sector of education has not received as sympathetic treatment during the past few years as the public schools (grades 1-12) or the four-year colleges and universities. Restricted state appropriations coupled with limitations on local tax increases have placed many of these colleges in precarious financial situations.

The pressures to improve the financial position of the community colleges have caused the legislatures to attempt to cap increases in enrollment by

limiting enrollments by eliminating support for noncredit courses, and by restricting funds for special services. The net result is that a number of states indicate severe curtailment in implementing the community college philosophy.

Projections of a decreasing number of 18 year olds have caused concern in state colleges and in some universities. Community colleges have as a result found themselves in competition for the graduating high school seniors. Legislatures and State Boards have in a few instances established fund limitations which were designed to force more students into the state colleges and away from the community colleges.

In spite of these restrictions the enrollment in community colleges has increased in most states and the financial support has become increasingly limited on a per student basis.

The basic philosophical purpose of the community colleges has been to remove the barriers to continued education. The financial barrier has been allieviated by low fees and accessibility; the geographical barrier has been affected by establishing new institutions; the motivational barrier has been relieved by developing more courses and new programs. A primary concern of legislatures as reflected in fiscal policy and in restricted appropriations has been to increase student fees, to close down small colleges, and to institute controls over the development of new programs. The acceptance of the assertion that increasing the access has been achieved and that now courses should be focused on quality often means that "now we should begin to limit access." It might appear that much more concern is now being placed on fewer students and "higher quality" rather than access for the many.

The Oregon Department of Education has outlined the forces and trends shaping the future of education and has asked community college leaders in

that state to rank a set of 24 statements. These leaders emphasized the need to maintain the traditional community college values and purposes with strong emphasis on lifelong learning. However, legislative leadership in Oregon has not reflected this emphasis in appropriations for support. This example is typical of the gap between professional commitments and political commitments.

Breneman and Nelson in their recent discussion of community college finance most accurately report these rather deep concerns about level of support in the various states. While their conclusions about the future may be subjected to critical analysis from a more positive viewpoint, their summary of the current status can hardly be denied. In the future community college advocates will need, then, to address the following questions:

1. Does the general public still support the philosophy which has guided community college development up to the present time?
2. If so, how can community college advocates persuade state legislatures to provide adequate support?
3. Can local control over critical decisions be maintained with an increasing pressure to provide total public support for state levels?
4. How can student financial access be maintained with increased pressure for increasing student fees?
5. Can the responsibility to maintain equal access be interpreted so that decision makers understand the need to maintain small rural and sometimes cost inefficient locations in order to provide for citizens living in sparsely settled regions of the state?

6. Will the tendency to require noncredit courses to be self-supporting be harmful to the development of lifelong education?
7. What will be the effect of the business cycle on community college enrollment? How will these facts affect the community college budget planning?
8. How will accreditation affect the financial planning for community colleges?

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